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SUBJECT: PARTY ENJOYS BOOST THANKS TO OLYMPICS, BUT SOME
ANGER OVER COSTS

Classified By: Political Minister Counselor Aubrey Carlson
for reasons 1.4 (B/D).

Summary

1. (C) China's top leadership and a sizeable majority of the Chinese public view the recent Beijing-hosted Olympic Games as a great success, according to Embassy contacts. Most academics and journalists we spoke with in the week following the August 24 closing ceremony told us the Chinese Communist Party (CCP) is enjoying an increase in legitimacy as a result. However, several of the contacts warned that these gains are tempered by widespread resentment of the "excessive" costs of hosting the Games. Some interlocutors believe Politburo Standing Committee members Xi Jinping, who was in charge of overall Olympic preparations, and Zhou Yongkang, responsible for internal security, have benefited politically from pulling off an Olympics free of serious disruption. Others feel President Hu Jintao is the biggest winner from the Games. End summary.

Boost to Party Legitimacy...

2. (C) The central leadership views the recent Beijing-hosted Olympics as a great success that has given the regime a boost in legitimacy, according to numerous contacts we spoke with in the days following the August 24 closing ceremony. Dong Lisheng (protect), a political scientist at the Chinese Academy of Social Sciences, told PolOff the Games "far exceeded" the expectations of top-level Party leaders, who welcomed the public's nationalistic response as a boost for Party legitimacy. Freelance journalist Chen Jieren (protect), who is the nephew of Politburo Standing Committee member He Guoqiang, said "70 percent" of the public supported the Games. For most Chinese, Chen said, the Olympics were about "standing up" and winning the world's respect and were thus successful. Chen Hao (protect), Executive Editor-in-Chief of the International Herald Leader, a newspaper run by the Xinhua News Agency, said the Olympics represent a clear "political achievement" (zheng ji) for the Party that will make it easier for the central leadership to implement its policies in the coming months. Professor Su Hao (protect), of China Foreign Affairs University (CFAU), offered a similar assessment, saying that the success of the Games resulted in a "large boost in legitimacy" for the government and a surge of national pride.

...but Resentment over Costs

3. (C) While contacts generally agreed the Olympics

will boost public support for the Communist Party, many of our interlocutors cautioned that any legitimacy gains are diluted by wide-spread criticism over the excessive expense of hosting (which was announced as over USD 40 billion, including infrastructure investment). Wu Yin (protect), Vice President of the public opinion polling firm Horizon, told PolOff August 28 that many Beijingers believe hosting the Olympics has accelerated the rise in fuel and food prices. Strict security, Wu continued, dampened public enthusiasm during the Games and there is lingering disappointment that the much-anticipated economic benefits to Beijing's service industry failed to materialize. In the end, Wu argued, gains in public support for the Party will be minimal, at best. Guan Renfeng (protect), a graduate student at Xinjiang University who visited Beijing during the final weekend of the Games, told PolOff August 25 that he is proud of his country's Olympics effort but he gives the government an "A minus" rather than an A "because they spent too much money." Guangming Ribao editor Dong Yuyu (protect) commented that while the majority of Chinese "reflexively" support the Olympics and feel proud, the public feels uneasy about excessive government spending. Dong said many Chinese, had they been given a choice, would have supported spending these resources on education and health care rather than hosting the Olympics. Niu Xinchun (protect), a scholar at the Ministry of State Security-affiliated Chinese Institutes of Contemporary International Relations (CICIR), told PolOff August 25 that a "significant portion" of the Chinese public resents

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the enormous costs of hosting the Games. CFAU's Su, however, felt such concerns over spending are overblown, noting that the cost of the Olympics was just a small percentage of China's total GDP.

Central Dissatisfaction with BOCOG

14. (C) Ding Kuisong (protect), Vice Chairman of the CCP Party School-affiliated think tank China Reform Forum, said Politburo Standing Committee (PBSC) Member and Vice President Xi Jinping was placed in charge of the overall Olympics effort due, in part, to high-level dissatisfaction with missteps by the Beijing Organizing Committee for the Games of the 29th Olympiad (BOCOG). BOCOG's alleged mistakes included agreeing "without sufficient coordination" to global torch relay routes that were "inappropriate." Ding said Xi, and even CCP General Secretary Hu Jintao, personally made many Olympics-related decisions, including logistical arrangements for President Bush's attendance at the opening ceremony. Dissident scholar Liu Junning (protect), told PolOff September 2 that he, too, had heard of tension between BOCOG and the central leadership over the torch relay fiasco, but Liu said it was always the plan to have the Central Government take the lead role in the final weeks.

Olympic Victory for Xi Jinping, Zhou Yongkang

15. (C) Chen Jieren told PolOff that both Xi Jinping and fellow PBSC member Zhou Yongkang, who is in charge of China's security apparatus, benefited politically from the Games. Overseeing the Olympics was the first major assignment for Xi since being promoted to the PBSC in October 2007. While Chen said that some of Xi's rivals at the top may have secretly hoped that Xi would stumble, the success of the Games has, in fact, burnished Xi's image. Zhou Yongkang, meanwhile, is now "exceptionally powerful," Chen said. Zhou had already received a great deal of praise following the

Sichuan earthquake due to the quick response of security forces, Chen explained, and the lack of a major security incident at the Olympics further strengthened Zhou's standing. Dong Lisheng, of CASS, largely echoed Chen's comments, saying Xi passed his first major test as a top-level leader.

Hu Jintao and Collective Leadership the Real Winners

16. (C) Guangming Ribao editor Dong Yuyu concurred that Zhou is very powerful and his stock is rising because of his performance over the last year and during the Olympics. However, Dong did not agree that Xi Jinping's political stature had risen as a result of his Olympics assignment. According to Dong, the Party's Central Secretariat assumed overall management of the Games and it was "natural" for Xi, as head of the Secretariat, to take the leading role. Moreover, Xi still coordinated all Olympic decisions with the rest of the Politburo Standing Committee. If anything, Dong argued, the Olympics was a "collective" triumph for the entire Party leadership, not just Xi. Liu Junning agreed, saying Hu Jintao, not Xi Jinping, is the main beneficiary of the Olympics given Hu's prominence during the Games. (Note: In addition to hosting world leaders and presiding over the opening ceremony, Hu made high-profile appearances at several events.) "It was clear to everyone that Hu Jintao was the real host of the Olympics," Liu said.

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